

Invitation to Annual General Meeting in Anoto Group AB (publ)

The shareholders of Anoto Group AB (publ) (the “Company”) are hereby invited to attend the Annual General Meeting (the “AGM”) to be held on Friday, 17 May 2019 at 10.00 a.m. at the premises of Setterwalls Advokatbyrå, Sturegatan 10 in Stockholm, Sweden.

Notification of participation

Shareholders wishing to attend the AGM must

- be entered as shareholders in the share register maintained by Euroclear Sweden AB no later than on Friday, 10 May 2019,
- notify the Company of their intention to participate no later than on Monday, 13 May 2019.

Attendance is to be notified by telephone +44 125 677 4400 or by e-mail to AGM@anoto.com. The notification should state name, social security number/corporate identification number and registered number of shares. To facilitate admittance to the AGM, proxies, registration certificates and other authorisation documents should be submitted to the Company by email to AGM@anoto.com no later than on 13 May 2019. The Company provides proxy forms on the Company’s web page www.anoto.com.

Shareholders who hold their shares through nominees (Sw. *förvaltare*) must request a temporary registration of the shares in their own name, with Euroclear Sweden AB. Shareholders who wish to obtain such registration must contact the nominee regarding this well in advance of 10 May 2019.

Proposed agenda

1. Opening of the Meeting
2. Election of Chairman at the Meeting
3. Preparation and approval of voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes
6. Determination of whether the Meeting has been duly convened
7. Presentation of the Annual Report and the Auditor’s Report and the consolidated Annual Report and consolidated Auditor’s Report
8. Statement by the Chief Executive Officer and answering of questions from the shareholders
9. Resolution on:
 - (a) Adoption of the Income Statement and the Balance Sheet, and the consolidated Income Statement and consolidated Balance Sheet
 - (b) Appropriation of the Company’s profit or loss pursuant to the adopted Balance Sheet
 - (c) Discharge from liability of the Board members and the Chief Executive Officer
10. Determination of the number of board members
11. Remuneration for the board members and the auditors

12. Election of board members and Chairman of the Board of Directors
13. Resolution on Nomination Committee
14. Resolution concerning guidelines for the remuneration of senior executives
15. Resolution to authorise the Board of Directors to issue new shares, warrants and/or convertible bonds
16. Resolution to grant options to new senior executives under the Company's incentive program
17. Resolution to authorise the Board of Directors to issue warrants
18. Resolution to authorize the Board of Directors to resolve on directed issue of Series C shares
19. Resolution to authorize the Board of Directors to resolve on repurchase of Series C shares and transfer of ordinary shares
20. Closing of the Meeting

Proposals

Appropriation of the Company's profit or loss pursuant to the adopted Balance Sheet (item 9 (b))

The Board of Directors proposes that no dividend be distributed for the financial year 2018.

Determination of number of board members (item 10)

Nerthus Investments Limited (the "Major Shareholder") representing approximately 9.5 per cent of the total number of shares in the Company, has informed the Company regarding their intention to present at the AGM the proposals set out in items 10-13.

The Major Shareholder proposes that the Board of Directors shall consist of three board members elected by the AGM.

Remuneration for the board members and the auditor (item 11)

The Major Shareholder proposes that the total remuneration for the Board of Directors shall amount to SEK 1,005,000, of which SEK 670,000 shall be paid to the Chairman of the Board of Directors and SEK 335,000 shall be paid to each of the other board members elected by the AGM who are not employees of the Group.

The Major Shareholder proposes that the audit fees shall be paid in accordance with approved invoices.

Election of board members and Chairman of the Board of Directors (item 12)

As members of the Board of Directors until the end of the next AGM, the Major Shareholder proposes re-election of Jörgen Durban, Perry Ha and Joonhee Won.

The Major Shareholder also proposes re-election of Jörgen Durban as the Chairman of the Board of Directors.

The registered accounting firm Grant Thornton Sweden AB was elected auditor at the AGM 2017 for a period of four years. Accordingly, the task of appointing an auditor is scheduled to occur at the AGM 2021. Grant Thornton Sweden AB has appointed the authorised public accountant Mats

Pålsson as auditor-in-charge.

Resolution on Nomination Committee (item 13)

It is proposed that the AGM shall resolve on the following principles to apply in connection with the appointment of the Nomination Committee for the AGM 2020.

For the appointment of a Nomination Committee for the AGM 2020, the Chairman of the Board of Directors is commissioned to contact three of the Company's major shareholders, at the end of September 2019, for the purpose to establish a new Nomination Committee. The Chairman of the Board of Directors shall ask the major shareholders to appoint one representative each to form the Nomination Committee, together with the Chairman of the Board of Directors. If not otherwise resolved by the Nomination Committee, the representative of the largest owner shall be appointed the Chairman of the Nomination Committee.

In case a shareholder that has appointed a member to the Nomination Committee materially reduces his holding of shares in the Company, the member that has been appointed by such shareholder shall resign, if the Nomination Committee so decides. Instead, another major shareholder, that has become one of the Company's three major shareholders, shall in consultation with the remaining members be offered to appoint a member of the Nomination Committee. In case a shareholder who is not represented in the nomination committee becomes one of the Company's three major shareholders during the Nomination Committee's work period, the Nomination Committee may resolve to offer this owner a seat on the Nomination Committee.

The members of the Nomination Committee shall be presented by the Chairman of the Board as soon as the members have been appointed, however, no later than six months prior to the AGM 2020. The Chairman of the Nomination Committee shall inform the Company if changes in the Nomination Committee occur.

No compensation for Nomination Committee work shall be paid out. The Nomination Committee shall, upon approval by the Chairman of the Board, be entitled to burden the Company with costs, for example in respect of recruitment consultants or other costs necessary for the Nomination Committee to fulfil its duties.

The Nomination Committee shall prepare and present to the AGM 2020 proposals for the following issues:

1. Chairman at the Annual General Meeting
2. Chairman and other members of the Board of Directors
3. Remuneration for the Board of Directors
4. Appointment of Auditors (when appropriate)
5. Remuneration for the Auditors
6. The procedure of appointing a Nomination Committee for the Annual General Meeting 2021

Resolution concerning guidelines for the remuneration of senior executives (item 14)

The Board of Directors proposes that the AGM resolves on the guidelines below for the determination of remuneration and other employment conditions for the CEO and other Executives.

The compensation level and structure shall be at market level. The total compensation shall be a balanced mix of fixed salaries, variable compensation, retirement and health plans, any other benefits and terms for dismissal and severance payments. The compensation may also comprise stock related long term incentive programs. The variable compensation varies for each Executive

and shall primarily be related to Anoto Group's budget and may not exceed fifty per cent of the fixed salary. The retirement plan shall be competitive.

Other benefits, like health plans, housing allowances and company cars, shall be competitive. As a main rule all of the Executives shall have a mutual notice period of three months. Stock related incentive plans are to be determined by the AGM. Issues and transfers of securities determined by the AGM according to the rules of Chapter 16 in the Swedish Companies Act are not comprised by these guidelines in case the AGM has or will make such decisions.

Board members of the Company, elected by the AGM, may in special cases receive a fee for services performed within their respective areas of expertise, separately from their board duties and for a limited period of time. Compensation for these services shall be paid at market terms.

The Board of Directors shall be entitled to deviate from these guidelines in a certain case should there be specific reasons.

Resolution to authorise the Board of Directors to issue new shares, warrants and/or convertible bonds (item 15)

The Board of Directors proposes that the AGM authorizes the Board of Directors to resolve, on one or several occasions during the period until the next AGM, with or without deviation from the shareholders' preferential rights, against cash payment, for payment in kind or by way of set-off, to issue ordinary shares, warrants and/or convertible bonds that involve the issue of or conversion into a maximum of 30,150,000 ordinary shares, corresponding to a dilution of approximately 20 per cent of the share capital and votes, based on the current number of shares in the Company.

The purpose of this authorisation and the reason for any disapplication of the shareholders' preferential rights is to make it possible for the Company to pay with its own financial instruments in connection with possible acquisitions that the Company may carry out and to increase the flexibility of the Company to finance the ongoing business. The basis for the issue price shall be according to the prevailing market conditions at the time when shares, warrants and/or convertible bonds are issued.

A valid resolution by the AGM pursuant to the proposal above requires that the resolution be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the AGM.

Resolution to grant options to new senior executives under the Company's incentive program (item 16)

The Board of Directors proposes that the AGM resolves to approve the grant of 3,000,000 additional stock options under the Company's incentive program to newly employed senior executives or persons to be employed in the near future within the Group (the "Participants") as described below.

The rationale for the proposal is to create opportunities to keep and to recruit competent personnel and to increase the motivation amongst the employees. The Board of Directors considers that the grant of stock options under the Company's incentive program is in the favour of the Group and the shareholders of the Company.

The incentive program means that the Participants will be granted stock options free of charge. The maximum number of stock options granted to the Participants shall be in aggregate 3,000,000, representing approximately 2.4 percent of the share capital and votes after dilution, based on the current number of shares in the Company. For the Participants, the stock options vest in the following manner. One third of the options vest and become exercisable after one year from the employment date. Thereafter, the remaining two thirds of the options vest and become exercisable on a pro rata basis, with 1/24 per month, until all options have vested after three years. The vesting

of the options is contingent on the participant having been employed by the Group for at least 12 months from the date of grant of the stock options.

The stock options can be exercised to purchase shares in the Company no later than on 31 August 2023, after which any outstanding options lapse. Each option entitles the participant to purchase one share in the Company at a price equal to SEK 4.08, representing approximately 261 percent of the average closing price of the Company's shares on Nasdaq Stockholm during the period from 2 April 2019 up to and including 15 April 2019.

The Board of Directors shall be responsible for preparing the detailed terms and conditions of the incentive program, in accordance with the above mentioned terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments of the incentive program to meet foreign regulations or market conditions. The Board of Directors may also make other adjustments if significant changes to the Group, or its markets, result in a situation where the decided terms and conditions for exercising the options are no longer appropriate.

Furthermore, in case of special circumstances, the Board of Directors shall be authorised to resolve that stock options will be kept and exercised despite the fact that employment in the Group has ceased, for example due to illness.

The incentive program will be accounted for in accordance with IFRS 2, which stipulates that the value is recorded as a personnel expense in the income statement during the vesting period. Based on the assumptions of a share price of SEK 1.482 (closing share price for shares in the Company on 12 April 2019), a maximum participation and an annual employee turnover of 10 per cent among the Participants, the cost for the incentive program, excluding social security costs, is estimated to approximately SEK 27,000. The cost will be allocated over the years 2019-2023.

Social security costs will also be recorded as a personnel expense in the income statement by current reservations. This incentive program is not expected to give rise to any social security costs.

The total number of outstanding stock options for employees and board members in the Group, including full allocation of the proposed 3,000,000 stock options as described above, amounts to 30,960,383 ordinary shares, corresponding to approximately 20.4 percent of the share capital and votes in the Company after dilution.

The incentive program allows employees of the Group to be granted stock options entitling them to acquire shares in the Company. Such transfers fall within the scope of Chapter 16 of the Swedish Companies Act, which means that a resolution to approve the incentive program and the transfer of shares upon exercise of the stock options is valid only where supported by shareholders holding not less than nine-tenth of both the votes cast and the shares represented at the AGM.

Resolution to authorise the Board of Directors to issue warrants (item 17)

To ensure delivery of shares to participants under current incentive programs and to cover any social security costs related to such incentive programs, it is proposed that the Board of Directors shall be authorised, on one or more occasions until the AGM 2020, to issue warrants. The warrants shall be issued free of charge and, with disapplication of the shareholders' preferential rights, may be subscribed for by the Company or Anoto AB, a wholly owned subsidiary of the Company.

A valid resolution by the AGM pursuant to the proposal above requires that the resolution be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the AGM.

Resolution to authorize the Board of Directors resolve on directed issue of Series C shares (item 18)

The Board of Directors proposes that the AGM authorizes the Board of Directors, on one or more occasions until the next Annual General Meeting, to resolve on a new issue of no more than 33,960,383 Series C shares, each with a quota value of SEK 0.60, corresponding to approximately 22.0 percent of the share capital of the Company after dilution. With the deviation from the shareholders' preferential rights, the new shares may be subscribed for by a bank or securities company at a subscription price corresponding to the quota value.

The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights when the authorization is utilized is to (i) ensure delivery of shares to participants under the Company's outstanding incentive programs and to cover any social security costs related to such incentive schemes, and (ii) to increase the flexibility of the Company to finance the ongoing business. Prior to the transfer of shares to participants exercising stock options, the Board of Directors will resolve to reclassify Series C shares into ordinary shares. The Company has not yet issued any Series C shares.

For a valid decision, it is required that the resolution be supported by shareholders with at least two thirds of both the votes cast and the shares represented at the AGM.

Resolution to authorize the Board of Directors to resolve on repurchase of Series C shares (item 19)

The Board of Directors proposes that the AGM resolves to authorize the Board of Directors, on one or more occasions until the next Annual General Meeting, to resolve on repurchases of Series C shares. Repurchases may only be made through an acquisition offer addressed to all holders of Series C shares and shall comprise all outstanding Series C shares. Acquisitions shall be made at a price corresponding to the quota value of the shares. Payment for acquired shares shall be made in cash.

The Board of Directors further proposes that the AGM resolves to authorize the Board of Directors to, until the next Annual General Meeting, on one or more occasions, decide to transfer up to 3,000,000 own ordinary shares. Transfers may only take place on Nasdaq Stockholm, including a right to resolve on deviation from the shareholders' preferential rights. Transfer of shares on Nasdaq Stockholm shall take place at a price within the price interval registered at any time, which means the interval between the highest purchase price and the lowest selling price.

The purpose of the above authorizations is to be able to resolve on repurchase of Series C shares in order to (i) ensure delivery of shares to participants in the Company's outstanding incentive programs and secure payment of social security contributions attributable to such incentive programs, and (ii) enable the Company, after repurchase of shares of series C and re-classification of these shares to ordinary shares, to sell ordinary shares to finance ongoing business.

For a valid decision, it is required that the resolution be supported by shareholders with at least two thirds of both the votes cast and the shares represented at the AGM.

Other

The complete proposals of the Board of Directors pursuant to items 16-19 above, including related documents under the Swedish Companies Act (SFS 2005:551), will be available at the Company's office in Stockholm and on the Company's website www.anoto.com, no later than 26 April 2019, and will be sent free of charge to shareholders who so request and provide their postal address.

According to Chapter 7, section 32 of the Swedish Companies Act, at a General Meeting the shareholders are entitled to require information from the Board of Directors and CEO regarding circumstances which may affect items on the agenda and circumstances which may affect the Company's financial situation.

Number of shares and votes in the Company

As of 17 April 2019, the total number of shares and votes in the Company was 120,612,257. The Company is not holding any own shares.

Stockholm, April 2019

Anoto Group AB (publ)

The Board of Directors